

EXHIBIT

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Declaration of
Sergio Melconian

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE**

**MARY PHILLIPA SLEDGE, MARY JANE
PIDGEON SLEDGE TRUST, and PIDGEON SLEDGE FAMILY
LIMITED PARTNERSHIP**

Plaintiffs,

v.

Civ. 2:13-cv-2578

**INDICO SYSTEM RESOURCES, INC. and
CLEAL WATTS, III**

Defendants.

DECLARATION OF SERGIO MELCONIAN

I, Sergio Melconian, pursuant to the provisions of 28 U.S.C. §1746, do hereby declare:

1. I am an adult resident of Tarrant County, Texas and have personal, firsthand knowledge of the facts described herein.

2. In 2006, I became the owner and operator of a Texas limited liability company called Oak Cliff Shirt Co., LLC *dba* Ripley Shirts ("Ripley").

3. In April 2009, Defendant Cleal Watts III ("Watts") came to Ripley to buy custom-made shirts.

4. Watts was, at the time, a large individual, and was therefore in need of custom-made clothing, which we provide.

5. In the process of manufacturing his garments, Watts called me and asked if I could do him a favor and rush one of his shirts because his father died and he did not have any "decent" piece of clothing to wear to the wake.

6. I accepted his request and rushed the creation of a couple of shirts so that he would have them to wear at his father's wake.

7. A couple of days after that event, Watts showed up in our office to thank us and also to place an order for a custom-made suit.

8. As he was placing this order, a conversation ensued about where I was born.

9. When Watts learned that I was born in Argentina, he told me about his business ventures there related to soybean oil.

10. Because I have relatives and friends working in this area, I offered to make some introductions for him. Watts accepted this offer and although I introduced some people to him, no business ever came of it.

11. Shortly thereafter, I made visits to both Watts' parents' house and to Watts' own house to deliver the products we sold to him. During these visits, he showed me photographs he said depicted his travels. Many of these pictures were of Africa, where he told me he was buying gold dust to be imported into the US.

12. During one of these visits, Watts told me that at that precise time, he was "recruiting" investors because he had secured a shipment of 100 kilograms of gold dust from a tribal chieftain in Sierra Leone.

13. Since the investment for the gold itself was too large for me, Watts offered me participation in investing on the *transportation* of the cargo. In short, Watts told me that if I provided the money for the *transportation* of the gold dust, specifically \$15,000, I would receive \$25,000 as soon as the gold arrived and was tested for purity.

14. I accepted Watts' proposal and provided him with \$15,000.

15. I even agreed to let Watts use me to transfer some of that money to Sierra Leone using Western Union.

16. After transferring the money, Watts began to complain about a series of problems importing the gold.

17. He told me that the tribal chief found another buyer that offered more money. Watts said this chief was doing everything in his power to stop the shipment from leaving Africa.

18. This story dragged on for weeks.

19. At one point, it appeared that everything got solved and the shipment was leaving Africa from Dakar via Delta Airlines.

20. Watts then told me the shipment was delayed due to expired paperwork.

21. Once this issue was addressed, the shipment appeared ready to leave Africa again, but never arrived.

22. In an effort to restore my confidence, Watts even provided me with a tracking number. Still, no gold dust ever arrived.

23. At this point, several months had gone by and my personal economic situation had gotten worse. I was not realizing any return on my "investment" and was dedicating so much time and energy to it that my custom shirt business started to suffer.

24. Accordingly, I met Watts for one last time at his house in 2010. He continued to make promises that the gold, and the money, were coming. They never did.

25. My investment was \$15,000 but, in reality, it cost me much more than that.

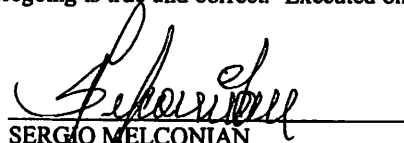
26. I frequently revisit the entire episode in my head and thank God Watts was unable to do any business venture with the people I introduced to him.

27. I now believe that the entire enterprise was a scam.

28. As a result of Watts' conduct, I almost lost everything I worked for, I had to declare bankruptcy and had to re-start my business from the ground up again.

29. I regret not going to the authorities at the time, but I felt then – as I do now – ashamed of being so naïve and easy to manipulate.

I certify under penalty of perjury that the foregoing is true and correct. Executed on this 28 day of October, 2015.


SERGIO MELCONIAN